

## Developing Operating Procedures For Projects Involving Multiple Organizations Using a Linear Responsibility Chart

One of the difficulties of managing projects that involve several (perhaps many) organizations is that the group has no pre-established procedures for handling actions that cross organizational boundaries. Such actions often include:

- Technical decisions (e.g., specification or design changes)
- Managerial decisions (e.g., schedule changes)
- Administrative processes (e.g., issuing payments for work)
- Project activities that involve more than one organization (e.g., approvals or inspections, placing purchase orders)

If such inter-organizational actions are not anticipated and procedures put in place to guide their performance, confusion and miscommunication will result, which will lead to unnecessary delays, wasted resources, and potentially even conflict among the organizations.

The development of operating procedures for multi-organizational projects can be facilitated by the use of a tool known as a “linear responsibility chart” (LRC). Consider the hypothetical and simplified example illustrated on the next page. Cavendish Chemicals is planning the design and construction of their new Plant Clearwater. The project will involve the individuals, departments, and organizations shown in the columns of the chart. The inter-organizational actions that can be anticipated on this project are listed in the rows of the chart. Several responsibility codes (letters) are defined in the upper left corner, and these codes are used in each cell of the chart to indicate the responsibility(s) of the entity in that column relative to the action in that row. By reading the codes in any row of the LRC, it is possible to ascertain an overview of the procedure for the action associated with that row.

The LRC, however, is not intended to be an end in itself. Rather, the LRC is an efficient tool that is used to collect and verify information about how the organizations intend to work together, so that written procedures for each action can be developed quickly and with minimum rework. The process involves several steps as follows:

1. Identify the individuals, departments, and organizations that should be represented in the chart and develop the column headings for those entities.
2. Develop an initial set of responsibility codes, such as the codes shown in the example.
3. Interview the project manager. Make an audio recording of the interview. Ask the project manager to:
  - Identify inter-organizational actions that should be included in the chart and ultimately in the project procedures manual. Enter these actions in the rows of the chart.

Talk through the procedure for each action as he or she would prefer that it be performed. Enter responsibility codes into the cells of the chart to capture the procedure as described. If necessary, create additional codes.

# Cavendish Chemicals, Inc.

## Linear Responsibility Chart For Design and Construction of Plant Clearwater

RESPONSIBILITY CODES	INDIVIDUAL / DEPARTMENT / ORGANIZATION									
A. Requests / Initiates B. Performs / Takes Action C. Must Be Consulted D. Must Approve E. Must Be Informed	Cavendish Chemicals				Architect	General Contractor	Subcontractors	Equipment Vendors	EPA	County Bldg. Inspector
	VP - Production	Project Manager	Process Engineering	Plant Engineering						
ACTION										
Process design specification changes	D	E	A/B	C	E	E		E	D	
Plant design changes	E	E	C	A/B	C	C	E		E	D
Design schedule changes	D	B	A/C	A/C		C				
Construction schedule changes	D	B		A	C	C	E	E		
County inspections		E		E	E	A	E			B/D
EPA inspections		A	E	E					B/D	
Owner inspections	E	B/D			E	E				
Payments	B	D			D	A	A	A		

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4. Interview other key individuals who are identified in the LRC or who represent departments or organizations identified in the chart. The order in which these interviews are conducted is not critical. Show each interviewee the actions that have been entered into the LRC by previous interviewees. Ask the interviewee to identify additional actions that should be included and to describe the preferred procedure. Again, enter the appropriate codes in the LRC, create additional codes if necessary, and make an audio recording of the interview.
5. When the interviews have been completed, hold a meeting of the key individuals who are identified in the LRC or who represent departments or organizations identified in the LRC. Make an audio recording of the meeting. Give out copies of the LRC.
  - Explain the procedure for each action as described by the responsibility codes. Ask for comments, suggestions, or concerns on the procedure for each action. Seek consensus on all changes. Make changes to the codes as appropriate.
  - Ask for any additional actions that should be added to the LRC. Have the group discuss the preferred procedure for any such actions and record the appropriate codes on the LRC. Again, seek consensus.
6. Using the LRC (and audio recordings as necessary), develop a project procedures manual. Each row on the LRC should be converted to a written procedure. Each procedure should have:
  - a. Date and draft number
  - b. Action name/description (e.g., “Construction schedule changes”)
  - c. Statement of the procedure based on the codes in the LRC. In addition, the statement can contain details, such as:
    - When making a submittal, exactly what documentation to provide and to whom it should be sent.
    - How long an entity normally has to review and act on an item submitted for their approval.
    - Who should receive copies of certain communications.
    - Whether hard copy or electronic communication are required/allowed.
  - d. Signature lines for the project manager and for other key individuals who are identified in the LRC or who represent departments or organizations identified in the LRC. The signatures indicate that these key individuals approve the procedure and that they will follow and require other members of their organization follow the procedure.

In addition to the individual procedures, the procedures manual should contain:

- A table of contents
- A directory of key individuals involved in the project, including phone numbers, mailing



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- addresses, and email addresses
  - The final LRC on which the procedures are based
  - A glossary of terms, if necessary
7. Distribute the procedures manual to all involved organizations in hard copy and/or electronic format.

The early development of a procedures manual as described above has proven invaluable on projects involving multiple organizations. The application of the LRC in the context of the steps outlined above greatly facilitates the process, and it ensures that the procedures manual is complete and represents consensus among the involved organizations.